# IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI (Jackson Division)

UNITED STATES OF AMERICA,	)
and the STATE OF MISSISSIPPI,	) )
Plaintiffs,	) ) Case No. 3:12-cv-790 TSL-RPM
v.	) ) ) <u>JOINT STATUS REPORT</u>
THE CITY OF JACKSON, MISSISSIPPI,	) <u>UPDATE</u> )
Defendant.	) ) )

Plaintiffs, the United States of America, on behalf of the U.S. Environmental Protection Agency ("EPA"), and the State of Mississippi, by and through the Mississippi Commission of Environmental Quality, acting through the Mississippi Department of Environmental Quality (collectively, "MDEQ"); and Defendant, the City of Jackson, Mississippi (the "City" or "Jackson)"; and together with Plaintiffs, (the "Parties"), submit this Joint Status Report Update to update the Court of the activities amongst the Parties since the date of the last Joint Status Report on February 28, 2022. Docket No. 21.

### 2012 Clean Water Act Consent Decree

Since the date of the last Joint Status Report Update, the Parties, including counsel, technical staff, and consultants have had numerous discussions, and Jackson has continued its weekly submission to EPA and MDEQ of a statistical analysis of the City's

compliance and the performance of its Wastewater Collection Treatment System and Wastewater Treatment Plants. On November 30, 2021, to facilitate the continued discussions between the Parties, the Parties sought to re-open this case [Docket No. 16] and sought entry of a confidentiality order to among other things, "facilitate the free exchange of information, the expression of unvarnished opinions, [in order to] enhance the likelihood of a successful outcome." Docket No. 17. This Court approved both orders on December 13, 2021. Docket Nos. 18 and 19.

In connection with the Parties' efforts to get the City back into compliance with the Consent Decree, the City has provided certain documents to the United States and MDEQ. Subject to the Confidentiality Order, the City has provided a proposed amendment to the Consent Decree, an updated Long Term Financial Model, and an updated AMI Remediation, Revenue Stabilization, and SORP Implementation Plan ("Revenue Stabilization Plan").

#### Safe Drinking Water Act Compliance Issues

EPA and the City entered into an Administrative Compliance Order on Consent (AOC), Docket No. SDWA-04-2020-2301, effective July 1, 2021, to address the outstanding Safe Drinking Water Act ("SDWA") concerns identified by EPA. While SDWA compliance is not within the scope of the Consent Decree or before the Court at this time, the Parties inform the Court of the issue because the City represents that the condition of the public water system ("PWS") is relevant to its financial condition. The City was able to replace the panel that controls two pumps on High Service Line #2 and which had shut down High Service Line #2 as a precaution against another electrical fire.

Following the replacement of the control panel, two of five pumps would not operate in auto mode, which prevented the line from operating at its full capacity. Initial efforts by the City to diagnose the problem were unsuccessful until the City discovered that the contractor wired the two pumps to the control panel incorrectly. The contractor recently rewired the two pumps to the control panel and restored High Service Line #2 to full capacity.

Recently, the City has had a number of emergencies impacting its O.B. Curtis

Water Treatment Plant, including a burst pipe that flooded the polymer room and an
ammonia leak that caused a temporary evacuation. The ammonia leak required the City
to temporarily reduce water production to restore ammonia to its disinfection process.

This reduction in water production came during a heat wave that resulted in higher
customer water usage. Despite the issuance of a conservation notice, the reduction in
water production combined with increased customer usage caused almost all of the City's
storage tanks to be empty or very low and required the City's issuance of a City-wide
boil water notice.

Additionally, on June 30, 2022, the EPA requested certain information from the City relevant to the City's staffing and operations of its public water system, pursuant to its authority under Section 1445 of the SDWA. As of the date of filing of this Joint Status Report Update, the City has provided a partial response and expects to provide its full response by mid-August.

#### Discussions Regarding Possible Modification to Consent Decree

As noted above, the City has provided EPA and MDEQ with certain information

subject to the Court's Confidentiality Order, including its proposed language to modify the current Consent Decree. In addition, the City has provided an updated Long Term Financial Model to EPA and MDEQ. The Long Term Financial Model provides a tool for EPA and MDEQ to assess the City's financial condition, including the City's current and future capability to fund the proposed injunctive relief under the proposed modified Consent Decree. The Long Term Financial Model specifically will consider the financial capability of the citizens of the City of Jackson to pay for increased costs of service and the City's current and future ability to obtain loan and bond financing to support implementation of the Consent Decree. The updated Revenue Stabilization Plan provides current information regarding the status of the City's efforts to restore its metering and billing system. EPA and MDEQ are evaluating the proposed language implementing the requested modifications to the Consent Decree. In addition, EPA has requested additional details regarding certain confidential financial information provided by the City. The United States is having its financial consultants evaluate the information that has been provided and as a result, certain additional information has been requested, and provided, by the City. The Parties are involved in regular conversations about the proposed modifications to the Consent Decree as well as the financial information and models. The Parties respectfully propose that they provide the Court with another Joint Status Report Update by December 2, 2022. The Plaintiffs also reserve the right to request a Status Conference with the Court before that date should it determine such action is appropriate.

Respectfully submitted this 29th day of July 2022.

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